United Nations E/CN.3/2006/26

Economic and Social Council

Distr.: General
14 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (i) of the provisional agenda*
Items for information: informal sector statistics

Report of the Delhi Group on Informal Sector Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-sixth session,** the Secretary-General has the honour to transmit the report of the Delhi Group on Informal Sector Statistics, which is presented to the Commission for information. The Commission is requested to take note of the report of the Group.

* E/CN.3/2006/1.

** See *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I.B.

05-64517 (E) 060106

Report of the Delhi Group on Informal Sector Statistics

1. The previous report of the Delhi Group on Informal Sector Statistics (E/CN.3/2005/10) indicating the purpose of the setting up of the Group, the participating countries, meetings held up to February 2004, topics considered in those meetings, achievements of the Group, and activities planned for the future, was submitted to the Statistical Commission at its thirty-sixth session in March 2005. Subsequently, the eighth meeting of the Group was held, from 29 to 31 March 2005 in Nadi, Fiji.

2. Technical issues considered in the eighth meeting included:

(a) Operationalization of the conceptual framework of informal employment and the informal economy;

(b) Indicators on informal sector and informal employment;

(c) Measuring the linkages between poverty and informal employment;

(d) Interregional programme of technical cooperation on the measurement of the informal sector and informal employment;

(e) Methods of evaluation of data quality of surveys on the informal sector and informal employment;

(f) Survey methods and questions for identifying status in employment categories and the International Standard Industrial Classification of All Economic Activities (ISIC), Rev.4.

Participants at the eighth meeting

3. The meeting was attended by representatives from Fiji, India and Namibia, the International Labour Organization (ILO) and the Economic and Social Commission for Asia and the Pacific (ESCAP), and the institution Women in Informal Employment: Globalizing and Organizing (WIEGO).

Summary of recommendations of the eighth meeting

4. The following action was taken during the eighth meeting:

(a) The Delhi Group noted that there had been significant developments in the operationalization of definitions and the conceptual framework of the informal sector and informal employment surveys since the last meeting of the Group held from 2 to 4 February 2004 in New Delhi. These included (i) Namibia's initiative to carry out a full-fledged survey of the informal sector and to introduce some questions on informal employment in the labour-force surveys, (ii) the initiative of India to introduce a module on informal employment in the labour-force survey undertaken from July 2004 to June 2005 and (iii) the efforts made by Fiji to estimate the contribution of the informal sector to its economy. The Group recommended that such efforts be made by more countries, that the methodologies available for estimating the contribution of the informal sector to gross domestic product (GDP) needed be consolidated, and that the experiences gained in using the methodology be documented;

(b) The Delhi Group welcomed the initiative of ILO to collect data on employment in the informal sector and on informal employment according to the framework developed by the Seventeenth International Conference of Labour Statisticians and encouraged countries to cooperate in completing this data-collection exercise;

(c) The Delhi Group welcomed the development of a framework at the international level including informal employment as an indicator with respect to monitoring progress relating to Millennium Development Goal 3 encompassing equality and employment of women;

(d) Keeping in view the resolutions and guidelines on informal sector employment adopted by the Fifteenth and Seventeenth International Conferences of Labour Statisticians and the various recommendations made at previous meetings of the Delhi Group on the same subject, the Group recommended that a minimum tabulation plan and set of indicators, arising out of surveys on the informal sector and informal employment, be formulated by ILO and other members of the Group for consideration in a future meeting of the Group;

(e) The Delhi Group noted with interest the effort by Women in Informal Employment: Globalizing and Organizing to develop statistics on earnings from self-employment and on the working poor and recommended that the concepts and calculation methods be explained in detail in view of the complexity of the concepts involved;

(f) The Delhi Group noted with interest the studies undertaken by some of the countries for analysing poverty in relation to informal sector employment and recommended that other countries should be encouraged to undertake such studies;

(g) The Delhi Group welcomed the initiative taken by ESCAP in formulating a project to strengthen statistics of informal sector employment and assured the cooperation of the Group in the implementation of the project;

(h) The Delhi Group discussed in detail and took note of the information paper prepared by the United Nations Statistics Division (SNA/M2.04/12) on the treatment of the informal sector in the 1993 System of National Accounts (SNA) (available from http://unstats.un.org/unsd/nationalaccount/AEG/papers/m2informalsector.pdf). It was noted that in 2004 the Statistical Commission had called for collaboration between the Statistics Division and the Group in preparing recommendations on the informal sector for the updating of the 1993 SNA. Many of the issues that had been raised in the paper had already been addressed by the International Conference of Labour Statisticians and the Group;

(i) The Delhi Group expressed its appreciation for the paper sent by the Central Bureau of Statistics of Kenya on the assessment of the quality of the informal sector surveys undertaken in the country and noted the general consensus that a special meeting needed to be organized by the Group with funding from donor agencies in order that experiences of countries on quality issues in respect of informal sector/employment statistics might be shared;

(j) The Delhi Group recognized the importance of high-quality data on status in employment for the reduction of coverage errors in mixed household and enterprise surveys of the informal sector, as well as of classification errors in surveys on informal employment; and recommended that ILO develop a module of household survey questions on status in employment for testing by countries. Such

questions would seek to provide an alternative to the question on status in employment that was based on the self-classification of respondents according to a list of precoded answer categories which was traditionally included in household surveys but had become increasingly difficult to use; the questions would also help to subclassify the various types of informal employment defined by the Seventeenth International Conference of Labour Statisticians;

(k) The Delhi Group noted the work currently being undertaken by the United Nations Expert Group on International Economic and Social Classifications to revise ISIC and produce Rev.4 by 2007. Considering that this kind of economic activity was an important variable for the classification of informal sector activities, the Group recommended that the Chairman of the Group should take appropriate action to request that activities undertaken by informal sector enterprises be reflected in sufficient detail in ISIC, Rev.4.

Future activities

5. The future work programme of the Delhi Group includes:

(a) Identification, definition and development of a core set of indicators on informal sector and informal employment in line with the importance placed on informal employment by the Task Force on Education and Gender Equality of the United Nations Millennium Project;

(b) Operationalization of the definition of informal jobs of employees adopted by the Seventeenth International Conference of Labour Statisticians;

(c) Definition and measurement of subgroups of the various types of informal jobs in relation to status of employment and development of methods and survey questions to reduce classification errors in respect of employment situations lying on the borderline of status-of-employment categories;

(d) Identification of various types of informal jobs in agriculture;

(e) Devising a checklist for the evaluation of data quality of surveys on the informal sector and informal employment;

(f) Further work on the measurement of the contribution of informal sector and informal employment to GDP, including work by regional and international organizations;

(g) Recommending more detailed categories for the updating of the International Standard Classification of Occupations, 1988, to cover specific descriptions of informal activities;

(h) Continuation of conceptual and analytical work on measuring the links between poverty and informal employment.

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